

HOUSE BILL 2640

By Love

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, relative to allocations of sales and use
tax revenue.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-103(d)(1), is amended by
adding the following as a new subdivision:

(F)

(i) Notwithstanding the allocations provided for in subsection (a), if a franchise for a minor league affiliate of a major league soccer team or a major league soccer team locates in a municipality in this state, and if the municipality constructs a new stadium for the franchise, then at such time as the franchise begins operating in the new stadium, and for a period of thirty (30) years thereafter, an amount shall be apportioned and distributed to the entity that is responsible for retirement of the debt on the stadium equal to the amount of state and local tax revenue derived from:

(a) The sale of admissions, parking, food, drink, and any other tangible personal property or services subject to tax under this chapter, if such sales occur on the premises of the stadium or any related ancillary facilities, including, but not limited to, any transportation infrastructure, tourism, theater, retail business, or commercial office space or parking facilities; and

(b) The sale by the professional sports franchise, within the county in which the games take place, of authorized franchise goods and

products associated with its operations as a professional sports franchise less local taxes collected in the year preceding the new stadium occupancy. The amount distributed to the entity shall be used for retirement of the debt on the stadium.

(ii) To be entitled to receive the distribution of state and local tax revenue derived from the sale of tangible personal property and services on the premises of related ancillary facilities under subdivision (d)(1)(F)(i), the entity responsible for the retirement of the debt on the stadium must first file with the department of finance and administration an application seeking certification that the construction of the ancillary facilities is directly related to the construction of the stadium. The department shall review the application to confirm whether the ancillary facilities meet the requirements of this subdivision (d)(1)(F)(ii). The department shall report its determination to the department of revenue, which shall administer this subdivision (d)(1)(F) accordingly.

SECTION 2. This act shall take effect July 1, 2018, the public welfare requiring it.